

25 March 1965

MEMORANDUM FOR: Executive Director - Comptroller

**THROUGH : Deputy Director for Science and Technology
Director, Budget, Program Analysis, and
Manpower**

**SUBJECT : Annual Report to Bureau of the Budget on
Automatic Data Processing**

1. This memorandum forwards the Agency's annual report on the utilization of automatic data processing equipment to the Bureau of the Budget. Recommendations for your approval and appropriate action are contained in paragraph 4.

2. BOB Circular No. A-55 Revised, dated 15 November 1963, provides "for executive departments and establishments to submit (subject) annual reports." Reports are due 31 March of each year. OCS has compiled a report to fulfill this requirement (Attachment A).

3. OCS Comments on Subject Report:

a. The report has been compiled from information provided by 15 ADP units in the Agency. It represents practically the same number of ineffectively coordinated ADP activities in the Agency. OCS cannot authenticate the equipment utilization and ADP cost figures nor the plans for new computers reported by the other 14 components. An analysis of the subject report clearly shows that the Agency is moving toward decentralization of ADP management and activities. This is contrary to our understanding of the direction intended when OCS was established, the direction reiterated by BOB in Circular A-71, dated 6 March 1965, and the intent of proposed legislation, i.e., HR 4843, 89th Congress.

b. In preparing the subject report, OCS has compiled the most complete picture we have had to date of the Agency's ADP facilities and plans. Our analysis of the information now assembled reveals the following:

(1) The Agency has 8 ADP units which have computers and 7 with punched card equipment only.

(2) Plans call for a peak level of 23 computers on hand in the Agency in FY 66.

(3) Agency ADP costs will increase from in FY 64 to in FY 66.

(4) OCS will be spending 40% of the ADP dollar in FY 66 compared to 44% in FY 64.

(5) OCS will have 29% of the Agency's ADP personnel in FY 66 compared to 37% in FY 64.

(6) OCS will have 2 of the 17 Agency computers planned for FY 68 onward.

c. The ADP equipment plans of extra OCS units shown in the subject report have not previously been surfaced to OCS for study and approval. Concurrently, OCS has plans for a third generation computer system which, if approved by Agency management, will pave the way for dramatically reducing the total number of computers required by the Agency. For example, we believe that the multiprocessing capability and the computing power, etc., available in the proposed IBM 360 Mod 64 system will not only accommodate anticipated OCS requirements but can and should eliminate the need for computers in RID.

4. Recommendations:

a. I recommend that the subject report not be submitted to the Bureau of the Budget in its present form. Rather, that the Agency report be revised to show no planned changes

in ADP hardware except those proposed by OCS for the CIA Computing Center. (Attachment B is a memorandum I have drafted for this purpose.)

b. I also recommend that no new computers be approved for use after March 1967 (installation date for IBM 360 system) until it has been shown, as a result of a thorough feasibility study, that the equipment in the Agency's Computer Center cannot meet the requirement.

JOSEPH BECKER
Assistant Director,
Computer Services

Attachments:

- A. ADP Report
- B. Draft Memorandum